

1523

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA)
)
 v.) Criminal No. 15-141
) (18 U.S.C. §§ 2, 371, 1028A(a)(1),
YOANDY PEREZ LLANES) 1343, and 1956(h))

INDICTMENT

INTRODUCTION

1. At all times material to this Indictment, the University of Pittsburgh Medical Center (hereafter "UPMC") headquartered in Pittsburgh, Pennsylvania, was a \$10 billion integrated global nonprofit health care enterprise with more than 62,000 employees, 21 hospitals and 400 clinical locations including outpatient sites and doctors' offices, a 2.3 million-member health insurance division, as well as commercial and international ventures in Europe and China, and other international locations.

2. At all times material to this Indictment, UPMC maintained an electronic database of sensitive employee information (hereafter "database") on its computer servers, which database contained personal information for each employee, including the name, date of birth, social security number, marriage status, salary and employment information for present and former employees, including Form W-2 data and tax withholding information.

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3. At all times material to this Indictment, the database was accessible only by authorized personnel with appropriate passwords.

4. In January and February, 2014, the UPMC database was "hacked" during which the unlawful intruders viewed the sensitive employee information described above and extracted sensitive employee information belonging to thousands of individual employees and former employees of UPMC.

5. Between approximately January 31, 2014 and March 6, 2014, the Internal Revenue Service identified approximately 935 unauthorized, fraudulently filed 2013 federal Form 1040, 1040A, and 1040EZ electronic tax returns (hereafter "Returns") in the names of present and former UPMC employees, which contained personally identifying information about the employees such as their name, address, social security number, occupation and wage withholding information.

6. Many of the Returns were falsified with withholdings in excess of the federal tax due, and other false statements, generating a federal tax refund amount, and therefore, a claim for a fraudulent tax refund (hereafter, "Refund").

7. The total amount of Refunds claimed for all of the false Returns totaled approximately \$2,205,925.00. Approximately \$1,475,593.00 of the total amount claimed was paid by the U.S. Treasury in the form of unlawful tax Refunds.

8. At all times material hereto, the Returns were filed electronically using the fee based electronic software "Turbo Tax." For the vast majority of the Turbo Tax user accounts connected with the fraudulent Returns, email accounts were used as an instrumentality to conceal the identity of the account holder.

9. At all times material hereto, a significant number of the false Returns were filed electronically from computer devices located in the Western District of Pennsylvania, and used proxy IP addresses in the Western District of Pennsylvania, which created the deceptive appearance that the Returns were legitimately filed on behalf of UPMC employee residents in Western Pennsylvania.

10. At all times material hereto, the Returns requested that tax refunds for 932 fraudulent Returns be issued in the form of Amazon.com gift card redemption codes (hereafter "redemption codes") instead of electronic deposits or U.S. Treasury checks, which redemption codes were used exclusively for the purchase of merchandise at Amazon.com.

11. Between February 27, 2014 and March 14, 2014, approximately \$885,578 in Amazon.com merchandise was ordered using the fraudulently obtained redemption codes, with instructions for delivery of the merchandise to "reshippers" in Miami, Florida.

12. At all times material hereto, the 'reshippers' in Miami, Florida, received instructions to ship the Amazon.com merchandise to destinations in Maracay or Maracaibo, Venezuela.

COUNT ONE

The grand jury charges:

13. The United States incorporates by reference herein the allegations set forth in paragraphs 1-12, as though set forth at length more fully herein.

THE CONSPIRACY AND ITS OBJECTS

14. From in and around January, 2014, and continuing thereafter until in and around April, 2014, in the Western District of Pennsylvania and elsewhere, the defendant, YOANDY PEREZ LLANES, and conspirators known to the grand jury as either "conspirator one," "conspirator two", and "conspirator three", and conspirators unknown to the grand jury (all collectively hereafter known as "conspirators"), knowingly and willfully did conspire, combine, confederate and agree together to defraud the United States of America, and specifically, the Internal Revenue Service, an agency of the United States of America, as follows:

MANNER AND MEANS OF THE CONSPIRACY

15. It was a part of the conspiracy that the defendant and the conspirators agreed to purchase or unlawfully obtain a large number of names and means of identification from the data breach at UPMC described in paragraph 4 above, including W-2 wage information of employees of UPMC, for the purpose of filing false 2013 federal income tax Returns, and to collect unauthorized tax Refunds.

16. It was further a part of the conspiracy that the Returns were falsified with the personal identifiers and means of identification of employees of UPMC Health System in Western Pennsylvania (hereafter "victims"), including names, social security numbers, W-2 wage and withholding information and false statements so as to generate a tax refund.

17. It was further a part of the conspiracy that the defendant, YOANDY PEREZ LLANES, and the conspirators, registered fictitious email addresses at anonymous email service providers such as a hushmail.com and safe-mail.net for the purpose of filing the false Returns through Turbo Tax.

18. It was further a part of the conspiracy that the defendant, YOANDY PEREZ LLANES, and the conspirators then caused the filing of 935 false 2013 federal income tax Returns as described in paragraph 9 in the names of the victims from proxy computers, some of which were located in the Western District of Pennsylvania, so as to deceive the IRS into believing the Returns were submitted from residents in Western Pennsylvania.

19. It was further a part of the conspiracy that the defendant, YOANDY PEREZ LLANES, and the conspirators made elections through Turbo Tax to issue an unlawful tax Refunds in the form of the Amazon.com redemption codes to be communicated to the fictitious email addresses.

20. It was further a part of the conspiracy that the defendant, YOANDY PEREZ LLANES, and the conspirators registered

email addresses at hushmail.com or safe-mail.net for the purpose of ordering merchandise at Amazon.com using the redemption codes.

21. It was further a part of the conspiracy that the defendant, YOANDY PEREZ LLANES, and the conspirators then used the hushmail.com or safe-mail.net email addresses in their names and created customer accounts at Amazon.com, and purchased "high end" electronic merchandise at Amazon.com such as Galaxy IV cell phones, Apple iPhones, HP laptop computers, tablets, gaming devices, or other goods at Amazon.com with the redemption codes.

22. It was further a part of the conspiracy that the defendant, YOANDY PEREZ LLANES, and the conspirators registered shipping accounts at reshipping service companies in Miami, Florida, known to the grand jury as "M.C.E.", "J&J" and others (hereinafter "reshippers") (not conspirators herein), for the purpose of reshipping the fraudulently obtained Amazon.com merchandise.

23. It was further a part of the conspiracy that the defendant, YOANDY PEREZ LLANES, and the conspirators caused the fraudulently obtained merchandise to be sent by the reshippers in Miami by air freight to destinations in Venezuela such as Maracay and Maracaibo.

24. It was further a part of the conspiracy that the defendant, YOANDY PEREZ LLANES, and the conspirators redirected shipments of the Amazon.com merchandise which arrived in

Maracay, Venezuela, to a person known to the grand jury as "conspirator one" at his business in Maracay, which is known to the grand jury as "A.A.S."

25. It was further a part of the conspiracy that the defendant, YOANDY PEREZ LLANES, and the conspirators also redirected some shipments of the Amazon.com merchandise from "A.A.S." to "drop" locations in Maracay such as the parking lot of the shopping mall "CC Las Americas" or the parking lot of a hotel in Maracay known to the grand jury as the "H.M."

26. It was further a part of the conspiracy that the defendant, YOANDY PEREZ LLANES, and the conspirators then either distributed, trafficked-in, or sold the Amazon.com merchandise through online merchants or auction websites, or kept them for personal use.

OVERT ACTS

27. In furtherance of the conspiracy, and to effect the objects of the conspiracy, the defendant, YOANDY PEREZ LLANES, and the conspirators, did commit and cause to be committed, the following overt acts, among others, in the Western District of Pennsylvania and elsewhere:

(a) Between January 31, 2014 and March 6, 2014, conspirators filed approximately 199 false electronic 2013 federal income tax Returns using proxy computers though Turbo Tax in the names of the victims from locations in Western Pennsylvania;

(b) On or about February 27, 2014, "conspirator two" registered a safe-mail.net customer account at Amazon.com and placed fraudulent orders of Amazon.com merchandise using redemption codes obtained from the false Refunds;

(c) On or about February 27, 2014, February 28, 2014, March 1, 2014, and March 3, 2014, electronic merchandise was purchased with redemption codes through the "conspirator two" Amazon.com account for shipment to reshippers in Miami, Florida;

(d) On or about March 4, 2014, "conspirator one" registered a safe-mail.net customer account at Amazon.com and placed fraudulent orders of Amazon.com merchandise using redemption codes obtained from the false Refunds;

(e) On or about March 4, 2014 and March 5, 2014, multiple orders for electronic merchandise were purchased with redemption codes through the "conspirator one" Amazon.com account for shipment to reshippers in Miami, Florida;

(f) On or about March 12, 2014, the defendant, YOANDY PEREZ LLANES, registered a Google email account at Amazon.com styled as "tecnomax266@gmail.com" for the purpose of laundering the Amazon.com merchandise;

(g) On or about March 12, 2014, 3 separate orders for electronic merchandise were purchased with redemption codes through the "tecnomax266@gmail.com" Amazon.com account for shipment to reshippers in Miami, Florida;

(h) On or about March 27, 2014 and April 1, 2014, the defendant, YOANDY PEREZ LLANES, personally signed for and accepted delivery of Amazon.com electronic merchandise ordered in the names of the conspirators "one" and "two"; and

(i) On or about March 19, 2014, March 21, 2014, April 4, 2014, and April 8, 2014, "conspirator three" personally signed the name 'Manuel' and accepted delivery of Amazon.com merchandise at either the 'H.M.' or the 'C.C. Las Americas' parking lot.

In violation of Title 18, United States Code, Section 371.

COUNTS TWO THROUGH SIXTEEN

The grand jury further charges:

28. The United States incorporates by reference the allegations set forth in paragraphs 1 through 27, as though set forth at length more fully herein.

29. Beginning in and around January, 2014, and continuing thereafter until in and around April, 2014, in the Western District of Pennsylvania and elsewhere, the defendant, YOANDY PEREZ LLANES, devised and intended to devise a scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations and promises, well knowing at the time that the pretenses, representations and promises were false and fraudulent when made.

30. It was part of the scheme and artifice to defraud that defendant, YOANDY PEREZ LLANES, and the conspirators determined to use, and did use, the means of identification of victim employees of UPMC and electronically filed false 2013 federal income tax returns in which the defendant, YOANDY PEREZ LLANES, and the conspirators "one", "two" and "three" claimed federal tax Refunds, as described more fully in Count One of the Indictment.

31. It was further a part of the scheme and artifice to defraud that defendant, YOANDY PEREZ LLANES, and the conspirators used multiple, anonymous hushmail.com and safe-

mail.net email addresses for the purpose of concealing their identities and location, in order to file false Returns, and to order and ship fraudulent obtained Amazon.com merchandise.

32. It was further a part of the scheme and artifice to defraud that defendant, YOANDY PEREZ LLANES, and the conspirators created and filed false Forms 1040, 1040A, and 1040EZ 2013 federal Returns which contained the means of identification of the victims.

33. It was further a part of the scheme and artifice to defraud that defendant, YOANDY PEREZ LLANES, and the conspirators falsified the Returns so as to create an unauthorized federal tax refund in the form of Amazon.com gift card redemption codes.

34. It was further a part of the scheme and artifice to defraud that defendant, YOANDY PEREZ LLANES, and the conspirators used the redemption codes and purchased electronic merchandise from Amazon.com for himself, and other conspirators, which merchandise was shipped from the United States to reshippers in Miami, Florida, and then to locations in Maracay and Maracaibo, Venezuela.

35. On or about the following dates set forth below, in the Western District of Pennsylvania and elsewhere, the defendant, YOANDY PEREZ LLANES, for the purpose of executing and attempting to execute, the aforesaid scheme and artifice to defraud, caused to be transmitted in interstate commerce, by

means of a wire communication, certain signs, signals, or sounds, that is, on the dates set forth below, the defendant, YOANDY PEREZ LLANES, filed false 2013 federal income tax Returns in the names of the victims which originated in the Western District of Pennsylvania, and were submitted to the Internal Revenue Service (outside of the state of Pennsylvania), each such electronic filing being a separate count herein;

COUNT	DATE	VICTIM INITIALS	REFUND CLAIMED
2	2/6/14	R.P.	\$6,567
3	2/7/14	J.R.O.	\$6,052
4	2/7/14	K.M.B.	\$6,575
5	2/7/14	L.L.R.	\$3,897
6	2/7/14	L.S.	\$6,574
7	2/7/14	M.J.H.	\$4,647
8	2/7/14	K.M.	\$6,575
9	2/7/14	G.M.	\$4,055
10	2/8/14	R.D.	\$5,222
11	2/8/14	C.F.A.	\$6,944
12	2/8/14	J.M.G.	\$7,074
13	2/12/14	L.A.D.	\$3,284
14	2/25/14	A.E.B.	\$1,586
15	3/3/14	J.J.G.	\$3,830
16	4/8/14	D.S.S.	\$6,577

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNT SEVENTEEN

The grand jury further charges:

36. The United States incorporates by reference the allegations set forth in paragraphs 1-35, as though set forth at length more fully herein.

37. Beginning in and around January, 2014, and continuing thereafter until in and around April, 2014, in the Western District of Pennsylvania and elsewhere, the defendant, YOANDY PEREZ LLANES, and the conspirators, did knowingly, intentionally and unlawfully conspire together and with each other, and with persons both known and unknown to the grand jury, to commit certain offenses against the United States, that is:

a. To knowingly conduct, and attempt to conduct, financial transactions involving property representing the proceeds of a specified unlawful activity, that is, wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the transactions were designed, in whole or in part, to conceal and disguise either the nature, location, source, ownership and control of the proceeds of the specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

Manner and Means of the Conspiracy

38. It was the object of the money laundering conspiracy that the defendant, YOANDY PEREZ LLANES, and the conspirators, as described more fully in Counts 1 and 2, filed false

electronic, federal income tax Returns using proxy computers located in the Western District of Pennsylvania, and in said Returns they requested that the proceeds of the fraudulent tax Returns be transferred to purchase Amazon gift redemption codes to disguise the nature, location, source and control of the proceeds of the fraudulent tax returns scheme.

39. It was further a part of the conspiracy that the defendant, YOANDY PEREZ LLANES, and the conspirators applied the federal tax Refund proceeds converted into Amazon.com gift card redemption codes to Amazon accounts under their control to purchase electronic merchandise at Amazon.com.

40. It was further a part of the conspiracy that the defendant, YOANDY PEREZ LLANES, and the conspirators then registered Amazon.com customer accounts using anonymous hushmail.com and safe-mail.net email addresses, and then used the Amazon.com redemption code proceeds to purchase electronic merchandise at Amazon.com.

41. It was further a part of the conspiracy that the defendant, YOANDY PEREZ LLANES, and the conspirators then used proxy IP services, and the hushmail.com and safe-mail.net email addresses to both purchase the Amazon.com merchandise, and to communicate with Amazon.com in order to disguise the ownership and control of the proceeds.

42. It was further a part of the conspiracy that the defendant, YOANDY PEREZ LLANES, and the conspirators then used

the anonymous email and proxy services to instruct Amazon.com to ship the merchandise to reshipping services in Miami, Florida.

43. It was further a part of the conspiracy that the defendant, YOANDY PEREZ LLANES, and the conspirators, then used anonymous proxy and email services to instruct the reshippers to deliver the merchandise to locations in Maracay and Maracaibo, Venezuela.

44. It was further a part of the conspiracy that the defendant, YOANDY PEREZ LLANES, and the conspirators, then instructed the reshipping services to redirect the shipments to "drop" locations in Maracay and Maracaibo, such as a parking lot at a shopping mall, or the parking lot of a hotel, in order to disguise the control and ownership of the proceeds of the false tax return fraud scheme.

45. It was further a part of the conspiracy that the defendant, YOANDY PEREZ LLANES, and the conspirators then trafficked in, distributed and sold the Amazon.com merchandise to other persons on online auctions for money, in order to further conceal the source, ownership and control of the proceeds of the false tax return fraud scheme.

All in violation of Title 18, United States Code, Section 1956(h).

COUNTS EIGHTEEN THROUGH TWENTY-ONE

The grand jury further charges:

46. On or about the dates set forth below, in the Western District of Pennsylvania, the defendant, YOANDY PEREZ LLANES, during and in relation to the felony violation of wire fraud, in violation of Title 18, United States Code, Section 1343, and money laundering conspiracy, in violation of Title 18, United States Code, Section 1956(h), did knowingly transfer, possess and use, without lawful authority, a means of identification of another person, to wit, the defendant, YOANDY PEREZ LLANES, possessed and used the social security numbers of real persons known to the grand jury as set forth below, which social security numbers the defendant, YOANDY PEREZ LLANES, used to prepare and electronically file false 2013 Forms 1040, 1040A, and 1040EZ federal income tax Returns which the defendant, YOANDY PEREZ LLANES, transmitted, or caused to be transmitted, to the Internal Revenue Service, and claimed an unlawful tax refund, each such use being a separate count herein:

COUNT	DATE	VICTIM INITIALS	SS (last 4 digits)
18	2/25/14	A.E.B.	9149
19	2/8/14	J.M.G.	0304
20	3/3/14	J.J.G.	4465
21	2/7/14	L.L.R.	8574

In violation of Title 18, United States Code, Sections 1028A(a)(1) and 2.

CRIMINAL FORFEITURE ALLEGATION

47. The United States hereby gives notice to the defendant, YOANDY PEREZ LLANES, charged in Count 17 that, upon his conviction of such offense, the government will seek forfeiture in accordance with Title 18, United States Code, Section 982, of all property involved in the offense of conviction in violation of Title 18, United States Code, Section 1956, or conspiracy to commit such offense, and all property traceable to such property, including but not limited to, the following:

MONEY JUDGMENT

48. A sum of money equal to at least approximately \$1,469,944.00 in United States currency for which the defendant is jointly and severally liable with any of the conspirators.

SPECIFIC PROPERTY

49. \$696,313.00 in unredeemed gift cards which are proceeds from the money laundering crime, which are currently held by Amazon.com and/or Turbo Tax.

50. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the court;

(d) has been substantially diminished in value; or

(e) has been commingled with other property which cannot be divided without difficulty; and

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b), to seek forfeiture of any other property of such defendants up to the value of the forfeitable property described in this forfeiture allegation.



Foreperson



DAVID J. HICKTON
United States Attorney
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